



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 10/21/2005

GAIN Report Number: IN5121

India

Agricultural Situation

Weekly Highlights & Hot Bites, #41

2005

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Report Highlights:

Prime Minister chairs high level committee on agriculture, *Food processing industry taxation structure to be reviewed*, *Commerce Minister briefs Prime Minister ahead of Geneva meeting*, *WTO talks deadlocked - Kamal Nath says no to higher tariffs cuts*, *BANGLADESH: Ban on poultry import from four European countries*.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
New Delhi [IN1]
[IN]

Welcome to Hot Bites from India, a weekly summary of issues of interest to the U.S. agricultural community. The report includes information that has been garnered during travel within India, reported in the local media, or offered by host country officials and agricultural analysts. Press articles are included in this report. Significant issues will be expanded upon in subsequent reports from this office.

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PRIME MINISTER CHAIRS HIGH LEVEL COMMITTEE ON AGRICULTURE

Prime Minister Dr. Manmohan Singh has constituted a High Level Committee under his chairmanship to focus on agricultural development and policy. Its members will include the Union Minister for Agriculture, Food & Civil Supplies & Consumer Affairs; Minister for Fertilizers & Chemicals; Minister for Finance; Minister for Commerce & Industry; Minister for Water Resources; Minister for Rural Development; Minister for State for Food Processing; Minister for State for Science and Technology; Deputy Chairman, Planning Commission; Chairman, Economic Advisory Council to PM; Chairman, National Commission on Farmers; and Member (Agriculture), Planning Commission.

The Committee will identify key areas in agriculture that require fresh policy initiatives; outline follow-up action for policies adopted; identify and monitor institutional mechanisms to implement policies and program. (Source: Press Release, Prime Minister's Office)

FOOD PROCESSING INDUSTRY TAXATION STRUCTURE TO BE REVIEWED

The government intends to review the taxation structure relating to the food processing industry, in view of the demand from major domestic players in the sector to lower the tax burden. The government is concerned about multiplicity of state excise tax laws and regulations, which are major constraints to the growth of the industry, the free flow of technology, foreign capital, and foreign direct investment. (Source: Business Line, 10/18/05)

COMMERCE MINISTER BRIEFS PRIME MINISTER AHEAD OF GENEVA MEETING

Commerce Minister Kamal Nath met Prime Minister Manmohan Singh to seek approval for India's negotiating position for the crucial Five Interested Parties meeting in Geneva, which is to be followed by the General Council meeting of the World Trade Organization (WTO). Mr. Kamal Nath said he briefed the Prime Minister on the state of play at the WTO and the recent US proposal on subsidy cuts for farm products. "The Prime Minister gave the broad parameters for the negotiations," he said. The Commerce Minister said India would not open its market to subsidized imports from developed countries: "We are looking at trade flows and not subsidy flows." (Source: Financial Express, 10/19/05)

WTO TALKS DEADLOCKED – KAMAL NATH SAYS NO TO HIGHER TARIFF CUTS

The ongoing trade talks in the World Trade Organisation (WTO) were deadlocked on the night of October 20, primarily on the issue of agriculture. India insisted that it could not offer any higher tariff cuts in agriculture than what was already contained in the paper tabled by the G-20 alliance of developing countries. The Commerce Minister, Kamal Nath, also raised the issues of Special Products (SPs) and Special Safeguard Mechanism (SSM) for developing countries. He said that these would have to be sorted out satisfactorily before

deciding on anything further. He made it clear that he would continue to take a tough stance when the interests of millions of farmers were at stake.

Mr. Nath also staunchly resisted a move by the European Union (EU) to link the treatment of Sensitive Products and Special Products. "Sensitive Products are sensitive commercially," he said, while Special Products are dependent on the food and livelihood security and rural development needs." He made it clear that "the two are conceptually different."

He effectively blocked a move by the US and EU to widen the scope of the talks and establish linkages of agriculture with Non-Agricultural Market Access (NAMA) and Services. With the hardening of positions, and the inability of the EU to better its offer due to pressure from some of its Member states, the talks ended in stalemate. (Source: Press Information Bureau, GOI, 10/20/05)

BANGLADESH: BAN ON POULTRY IMPORT FROM FOUR EUROPEAN COUNTRIES

Bangladesh has banned the import of poultry from four European countries to prevent the outbreak of bird flu in the country, said the secretary of the Ministry of Fisheries and Livestock. The four European countries are Turkey, Greece, Romania, and Russia. He said that normal surveillance and monitoring activities are continuing, and the ministry has warned the people and concerned parties not to kill and eat any migratory birds. There have been no reported cases of the H5N1 virus and other low pathogenic avian influenza virus in Bangladesh, but there is a risk of contamination through migratory birds and smuggled chickens, eggs, and other poultry products. Every year Bangladesh imports 2 million parent and 25,000 grand-parent stocks from the Netherlands, Germany, the United Kingdom, and France. In 2004, Bangladesh banned poultry imports from India, Pakistan, Thailand, Indonesia, Japan, South Korea, Malaysia, China, Taiwan, Cambodia, Laos, Vietnam, and the Philippines. (Source: The New Age, 10/20/05)

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